



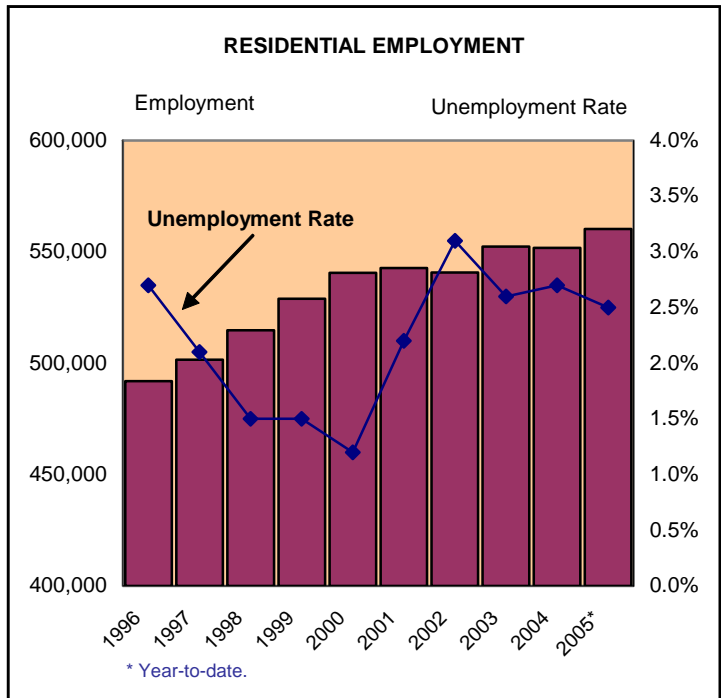
# ECONOMIC INDICATORS®

FAIRFAX COUNTY  
DEPARTMENT OF MANAGEMENT AND BUDGET

APRIL 2005

## IN THIS ISSUE:

- The unemployment rate in Fairfax County for February 2005 decreased to 2.5 percent from the revised level of 2.6 percent in January. The number of employed County residents has increased 17,168 since February 2004. (See page 1)
- April 2005 Sales Tax receipts for Fairfax County are \$10.7 million, an increase of 3.7 percent over April 2004. Sales Tax receipts are up 6.5 percent, fiscal year-to-date. (See page 2)
- The number of new residential permits issued in March 2005 decreased 50.9 percent while new nonresidential permits decreased 16.7 percent from February 2004. (See page 3)
- The number of existing single family homes sold rose 16.9 percent in the first two months of 2005 and the median value of these homes increased 6.0 percent over existing single family homes sold during 2004. (See pages 4 and 5)
- While the number of new single family homes sold decreased 14.6 percent during the first two months of 2005, the median price of these homes increased 5.3 percent over single family homes sold during 2004. (See pages 4 and 5)
- Both the Fairfax County Coincident Index and the Fairfax County Leading Index decreased in February 2005. (See pages 6 and 7)



Source: Virginia Employment Commission. Compiled by the Fairfax County Department of Management and Budget.

## Employment

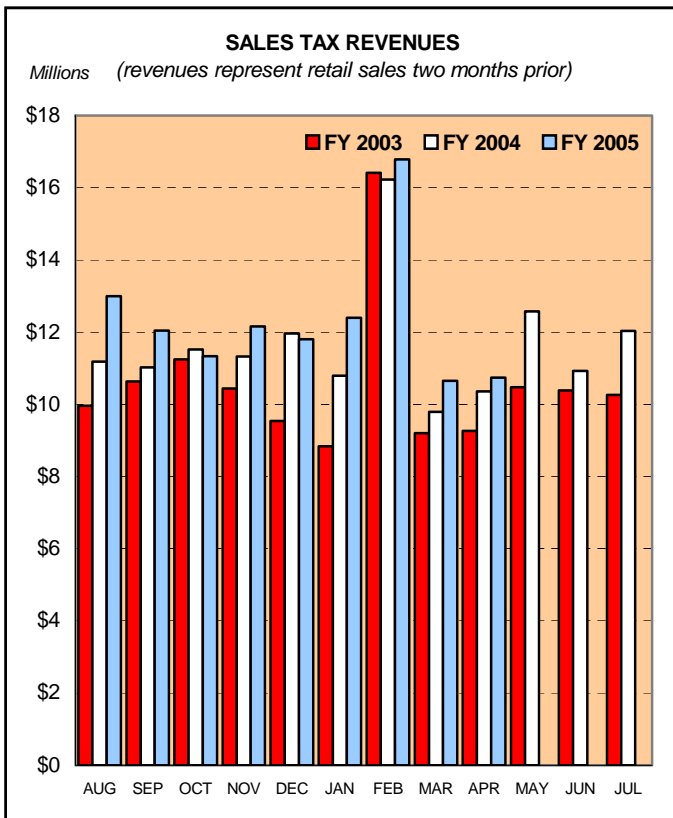
The February 2005 unemployment rate in Fairfax County decreased to 2.5 percent from a revised 2.6 percent in January 2005. In addition, the number of employed persons has risen from one year ago. As reported by the Virginia Employment Commission (VEC), the number of employed Fairfax County residents was 560,321 in February 2005, an increase of 17,168 or 3.2 percent over February 2004. During this period, unemployment in Fairfax County decreased 0.4 percentage points from 2.9 in February 2004 to 2.5 in February 2005.

The February 2005 unemployment rate in Virginia was 3.6 percent, 0.1 percentage points lower than in January 2005 and 0.3 percentage points lower than February 2004. The February 2005 national unemployment rate was 5.4 percent.



The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

<http://www.fairfaxcounty.gov/comm/economic/economic.htm>



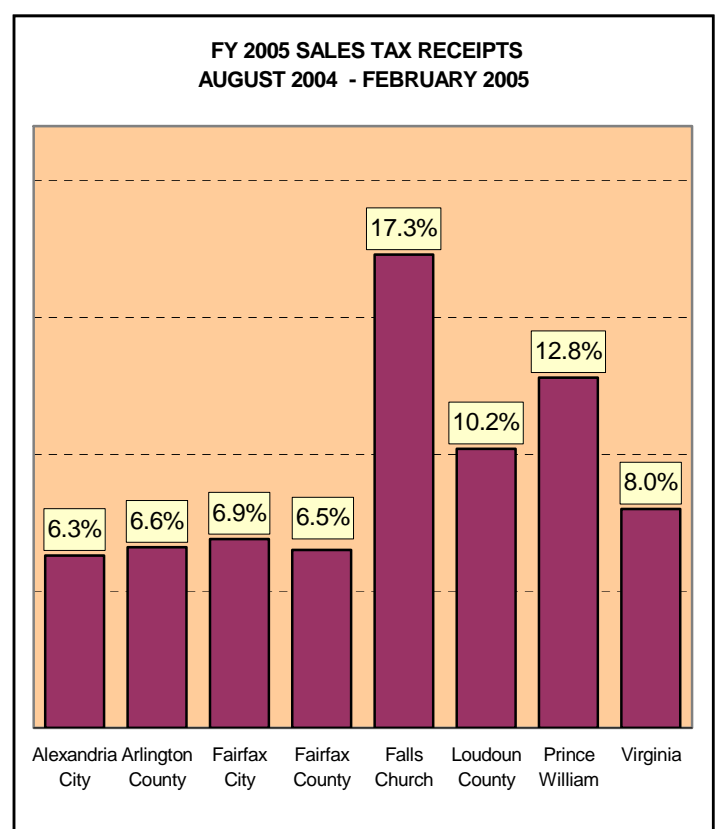
Source: Virginia Department of Taxation. Compiled by the Fairfax County Department of Management and Budget.

## Fairfax County Sales Tax Receipts

April Sales Tax receipts for Fairfax County, representing retail purchases made in February, are \$10.7 million, an increase of 3.7 percent over April 2004. Sales Tax receipts have exceeded the same month value of the previous year for four consecutive months. Through the first nine months of FY 2005, Sales Tax receipts are up 6.5 percent over the same period in FY 2004.

## National Retail Sales

According to the Commerce Department, seasonally adjusted preliminary February 2005 retail sales estimates for the U.S. increased 0.5 percent over the previous month and increased 7.7 percent over February 2004. Compared to last year, gasoline station sales are up 16.4 percent; building materials and garden equipment increased 13.1 percent and health and personal care stores are up 7.5 percent.



Source: Virginia Department of Taxation. Compiled by the Fairfax County Department of Management and Budget.

## Neighboring Jurisdictions

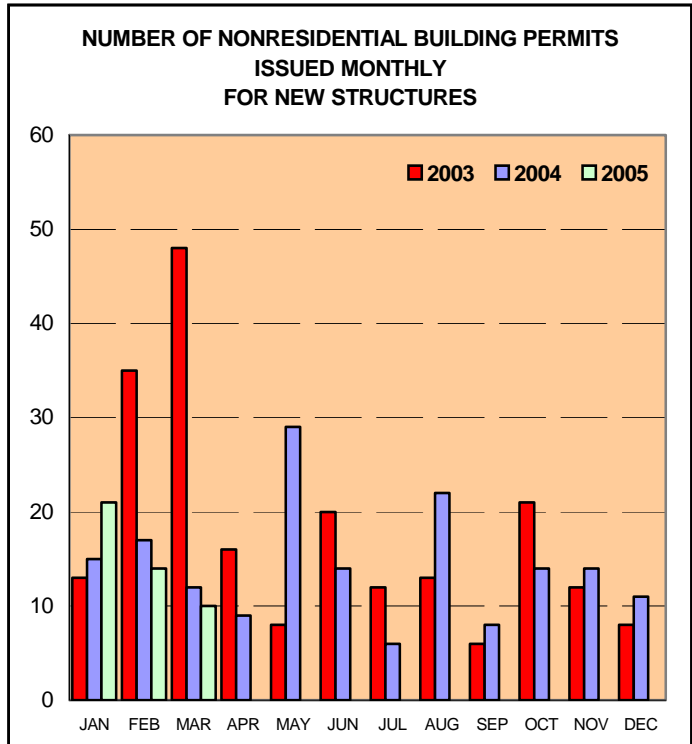
All of the Northern Virginia localities have experienced a rise in Sales Tax receipts during the first nine months of FY 2005. Sales Tax receipts are up 17.3 percent in Falls Church; 12.8 percent in Prince William County; 10.2 percent in Loudoun County; 6.9 percent in Fairfax City; 6.6 percent in Arlington County; 6.3 percent in Alexandria and 6.5 percent in Fairfax County. Statewide Sales Tax receipts are also up. For the period August 2004 through April 2005, statewide sales tax receipts have increased 8.0 percent over the same period a year ago.

## Residential Building Permits

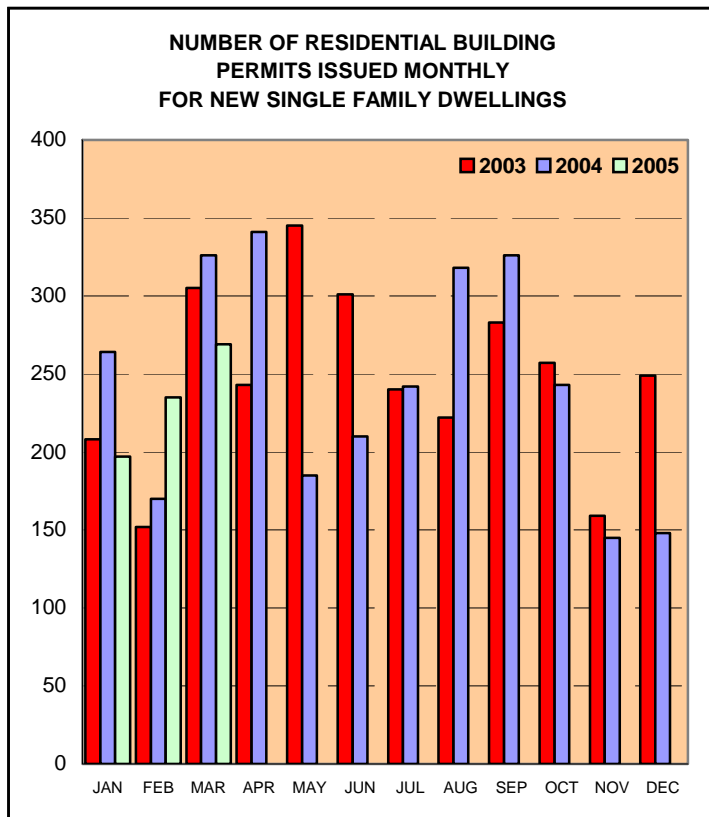
The issuance of total new single family residential building permits issued in March 2005 were 269, a reduction of 57 permits, or 17.5 percent, from March 2004. New single family permits issued in the first quarter of 2005 total 701 permits, a decrease of 7.8 percent from the 760 issued in the first three months of 2004.

In March 2005, 1,215 residential repair and alteration permits were issued, an increase of 870 permits or 252.2 percent from March 2004. Year-to-date, 2,754 residential repair and alteration permits have been issued, an increase of 201.6 percent over the same period last year.

A change in processing of multifamily permits has resulted in a sharp drop in the number of permits issued that is not reflective of construction activity in the County. Multifamily permits can now be issued to contractors on a per floor basis instead of per unit, which was previously required. For example, 5 multifamily permits were issued in March, a reduction of 227 permits from March 2004 when permits were issued for 232 multifamily units. Because the data are not comparable, this publication will stop reporting the number of multifamily permits issued until comparisons can be made on the same basis.



Source: Fairfax County Department of Public Works and Environmental Services. Compiled by the Fairfax County Department of Management and Budget.

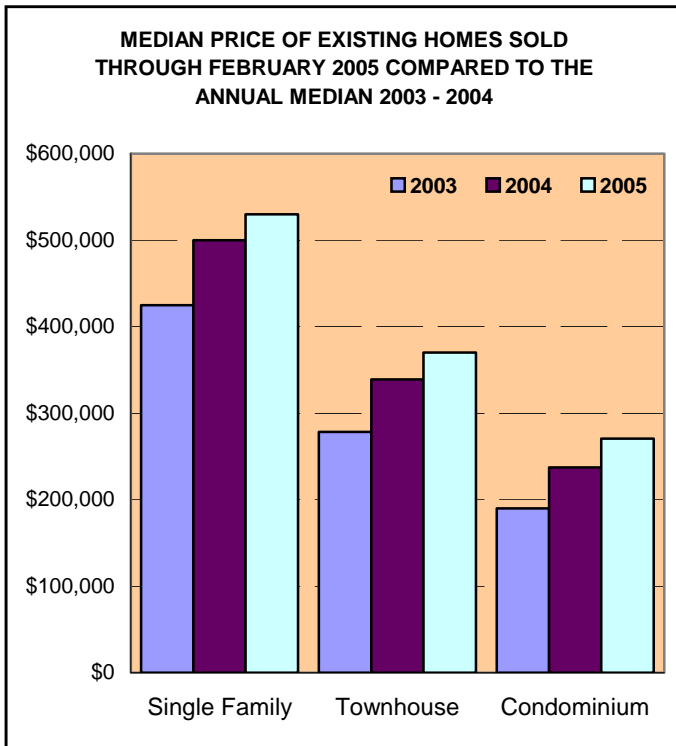


Source of data for all above charts: Fairfax County Department of Public Works and Environmental Services. Compiled by the Department of Management and Budget.

## Nonresidential Building Permits

New nonresidential building permits issued in March 2005 declined for the second consecutive month. In March 2005, 10 new nonresidential building permits were issued, a decrease of 16.7 percent, or 2 permits from March 2004. Conversely, new nonresidential permits are up 2.3 over the same period last year. The issuance of nonresidential repair and alterations permits decreased slightly in March. In March 2005, 333 nonresidential repair and alteration permits were issued, down 5.9 percent, or 21 permits from the March 2004 total of 354. Year-to-date, nonresidential repair and alterations are up 15.1 percent.

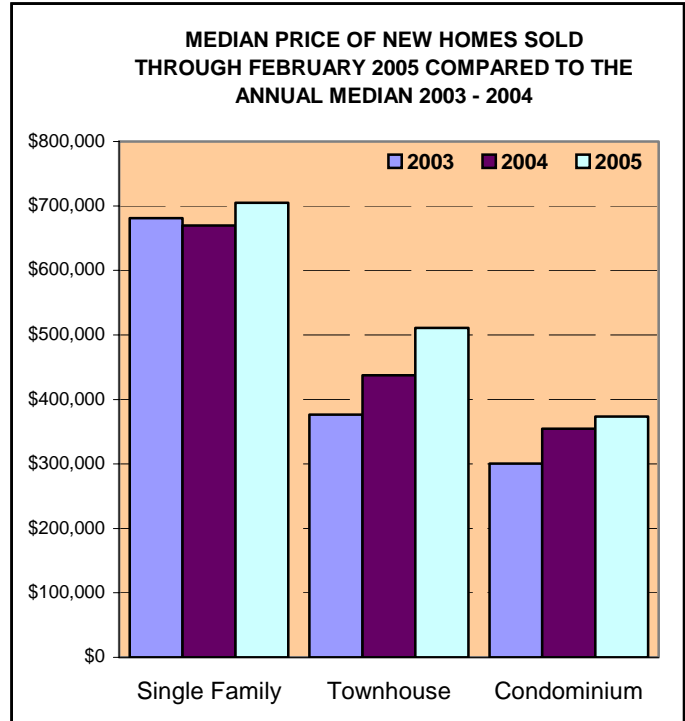
## Housing Market



Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget.

### Existing Home Sales Prices

All types of existing (previously owned) homes in Fairfax County experienced growth in median sales price from January through February 2005. For existing single family homes, the median sales price of homes sold increased 6.0 percent to \$529,900, as compared to the 2004 median of \$500,000. The median sales price for existing townhomes sold during the first two months of 2005 rose to \$369,900 from the 2004 median of \$339,000, reflecting growth of 9.1 percent. The median sales price for condominiums increased to \$270,450 through February 2005 from \$237,500 in 2004, representing growth of 13.9 percent.



Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget.

### New Home Sales Prices

New homes in Fairfax County experienced mixed growth in median sales price during the first two months of 2005. The 2005 median sales price for single-family homes sold through February grew to \$704,795 from the 2004 median of \$669,457, an increase of 5.3 percent. The median sales price of new homes sold in the first two months of 2005 for townhouses increased 16.8 percent, from \$437,240 in 2004 to \$510,900, while the median sales price for condominiums increased 5.4 percent, from \$354,450 in 2004 to \$373,465.

**PERCENTAGE CHANGE IN MEDIAN PRICE OF  
HOMES SOLD YEAR-END 2004 COMPARED TO  
SALES THROUGH FEBRUARY 2005**

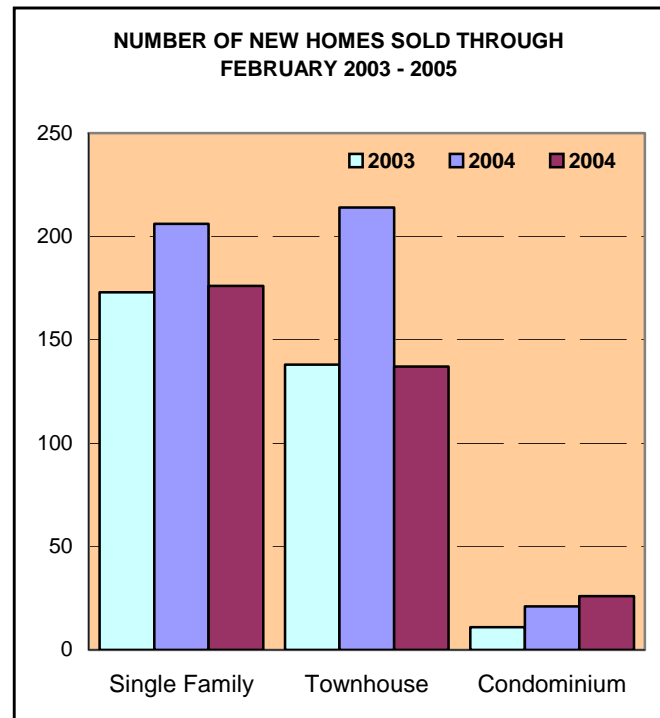
	Existing Sales	New Sales
Single Family	6.0	5.3
Townhouse	9.1	16.8
Condominium	13.9	5.4

Changes in selling prices, coupled with the volume of sales, are generally considered reasonable indicators of the County's real estate market. Median selling price increases do not translate directly into assessment adjustments, however, since the mix of homes sold is not necessarily reflective of the County's entire housing stock. Changes in median selling prices are comparisons to the prices of homes sold during the prior year, and the type of homes sold (i.e., model, size, age, location, etc.) varies from one year to the next. The key factor in real estate assessments is not the change in the median sale price, but the relationship of assessments to selling prices within neighborhoods. To read more about Fairfax County tax assessments, please visit:

[www.co.fairfax.va.us/dta/tax\\_assessment.htm](http://www.co.fairfax.va.us/dta/tax_assessment.htm)

## Existing Home Sales Volume

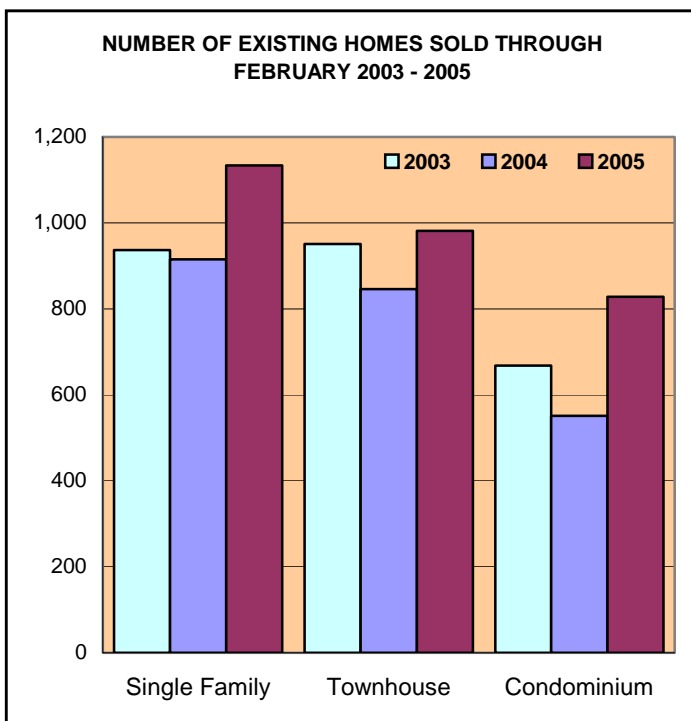
Sales volume for existing (previously owned) homes increased for all home types in February 2005. Sales of existing single family homes rose from 915 to 1,134, reflecting growth of 23.9 percent over February 2004. Sales volume of existing townhomes gained in February 2005 to 981 from 846, reflecting growth of 16.0 percent over February 2004. The number of existing condominium sales reported for February 2005 grew 50.3 percent from 551 to 828 over February 2004.



Source: Fairfax County Department of Tax Administration.  
Compiled by the Fairfax County Department of Management and Budget.

## New Home Sales Volume

Sales volume for new single family homes and townhomes was down for February 2005, while sales for new condominiums increased. The number of new single family homes sold during the first two months of 2005 decreased from 206 to 176, reflecting a decrease of 14.6 percent. Sales volume of new townhomes decreased 36.0 percent through February 2005, to 137 units from 214 from the previous year. The number of new condominium sales sold through February 2005 increased 23.8 percent from the 21 units reported for the first two months of 2004 to 26 units in 2005.



Source: Fairfax County Department of Tax Administration.  
Compiled by the Fairfax County Department of Management and Budget.

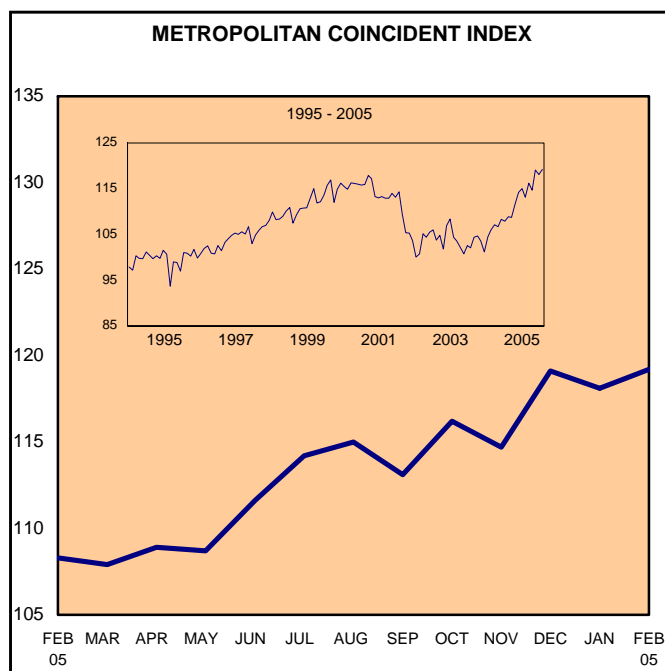
The following section includes a discussion of economic indices for two different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in the coming months for the respective economies. Fairfax County's Indices are discussed first, followed by the Metropolitan Indices, which consider the Washington Metropolitan economy. Together, these indices are intended to provide a broad assessment of the economic climate confronting, and likely to impact, County residents and businesses.

## Fairfax County Coincident Index

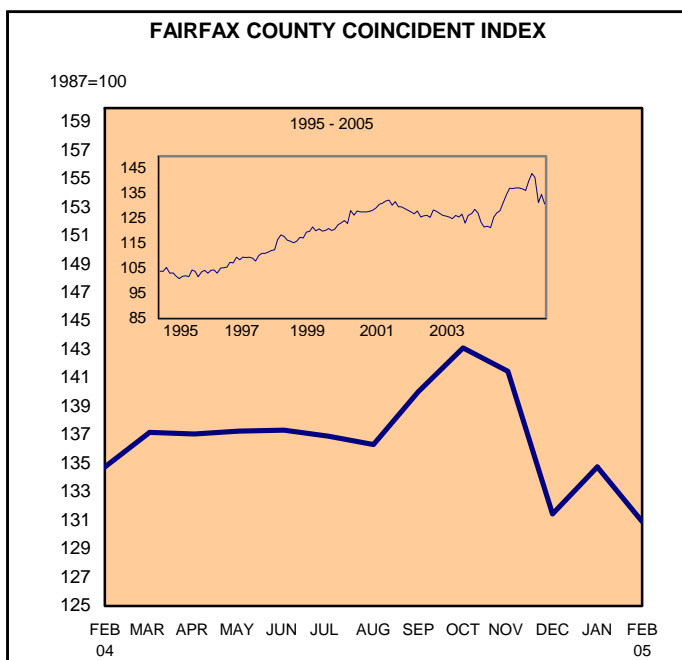


The Fairfax County Coincident Index, which represents the current state of the County's economy, decreased to 130.9 in February 2005, a 2.8 percent decrease from January 2005. Despite the decrease, the Index has increased fifteen consecutive months over last year's same-month value and is currently 4.6 percent above its February 2005 level.

In February, three of the Index's four components were negative. Transient occupancy tax collections, adjusted for inflation and seasonal variation, decreased for the third time in four months. Sales tax collections, adjusted for inflation and seasonal variation, decreased for the third time in four months. Total employment, after re-benchmarking for 2003 and 2004, declined for a fourth consecutive month. In contrast, consumer confidence (in the present) increased for third time in four months.



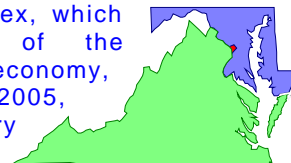
Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and Budget.



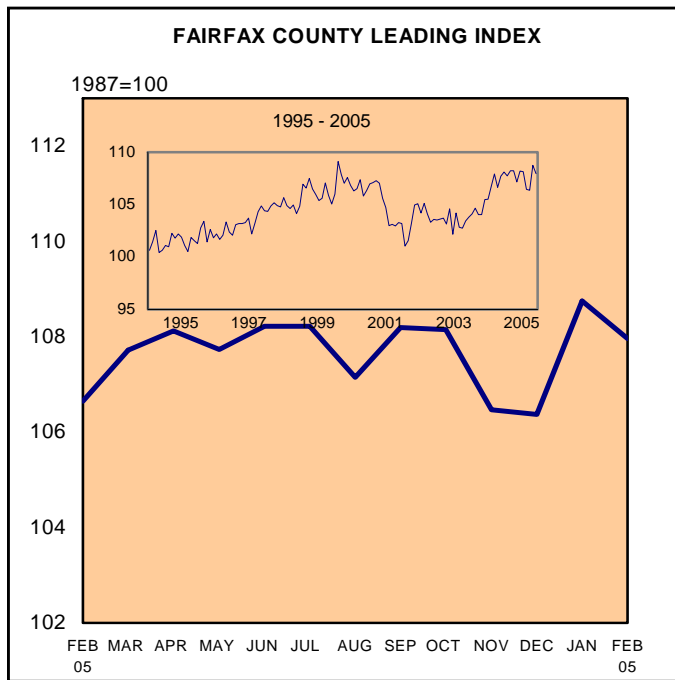
Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and Budget.

## Metropolitan Coincident Index

The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, increased to 119.2 in February 2005, a 0.95 percent gain over January 2005. The Index is up 7.3 percent over its February 2004 level. The Index has exceeded its same-month value from last year for sixteen consecutive months.



In February, all of the Index's four components were positive. Wage and salary employment increased in February 2005 for the second time in three months. Consumer confidence (in the present) and nondurable goods retail sales increased in February for the fifth time in six months. Domestic passenger volume at Reagan National and Dulles airports increased in February for the eighth time in nine months.



Source: Center for Regional Analysis, George Mason University.  
Compiled by the Fairfax County Department of Management and Budget.

## Fairfax County Leading Index

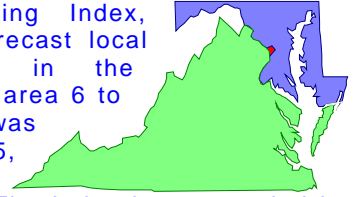


The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in advance, decreased to 108.0 in February 2005, a 0.7 percent decline from January. The Index is currently up 1.3 percent over its February 2004 level.

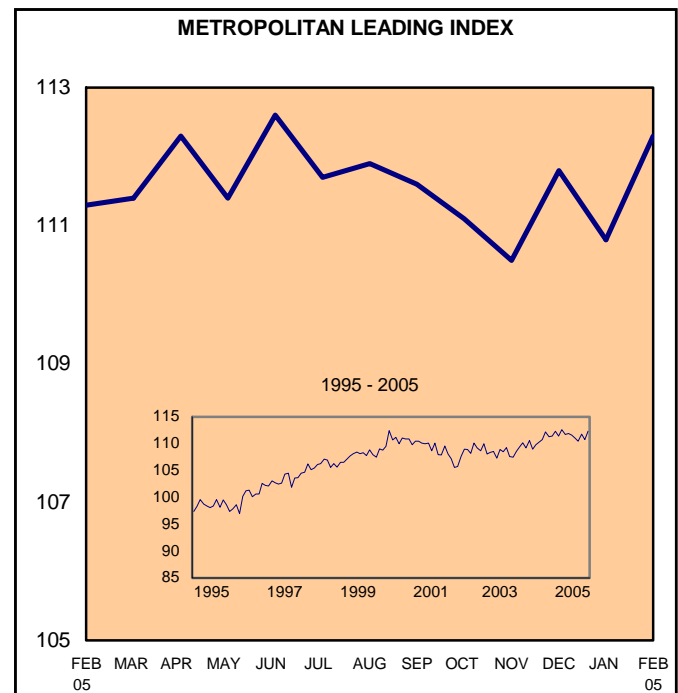
In February, two of the Index's three components contributed were positive; however, the strength of the negative component caused the Index's decline. New automobile registrations decreased precipitously after gaining for two months. In contrast, consumer expectations (consumer confidence six months in advance) increased in February 2005 for a fourth time in six months. Initial claims for unemployment decreased (improved) for the third time in four months. Due to a reporting change, the number of building permits and their value has temporarily been removed from the Fairfax County Leading Index. The Index will be revised once the data becomes available.

## Metropolitan Leading Index

The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 6 to 8 months in advance, was 112.3 in February 2005, an increase of 1.5 percent over January. The Index has exceeded its same-month value from last year for twenty-two consecutive months.

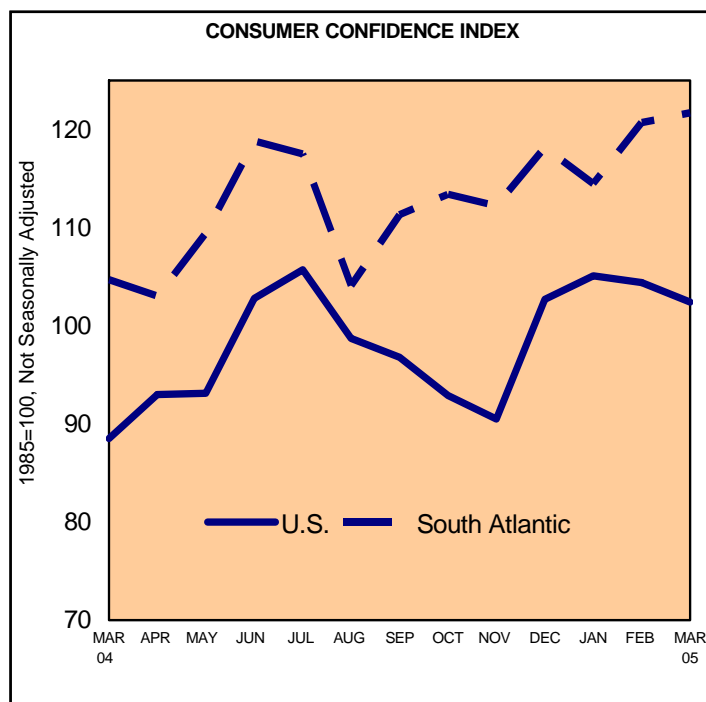


In February, three of the Index's five components contributed to its increase. Total residential building permits increased sharply in February. Consumer expectations (consumer confidence six months hence) increased for the fourth time in six months. Initial claims for unemployment insurance decreased (improved) in February after declining for four consecutive months. The Help Wanted Index decreased for a second month. Durable goods retail sales decreased for the second time in three months.



Source: Center for Regional Analysis, George Mason University.  
Compiled by the Fairfax County Department of Management and Budget.

## OTHER INDICATORS



Source: The Conference Board. Compiled by the Fairfax County Department of Management and Budget.

## Consumer Confidence Index

The Conference Board reports that the Consumer Confidence Index decreased 2.0 points in March 2005. The Index is 102.4, compared to the revised level of 104.4 reported in February 2005. The Index has now declined for two consecutive months.

The Consumer Confidence Index is composed of two separate indices: the Present Situation Index and the Expectations Index. In March 2005, the Present Situation Index decreased to 115.6 from 116.8, a 1.2 point drop from last month. Similarly, the Expectations Index decreased to 93.7 from 96.1 in February.

Consumer's six-month employment outlook in March was varied, with an increase in both the percentage of consumers saying that jobs are "hard to get" and the percentage of consumers saying that jobs are "plentiful." In addition, the number of consumers expecting more jobs remained unchanged at 15.1 percent in March 2005.

In the South Atlantic region, consumers continue to remain more optimistic. The Consumer Confidence Index for the South Atlantic rose 0.8 percent from 120.7 in January to 121.7 in February.

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